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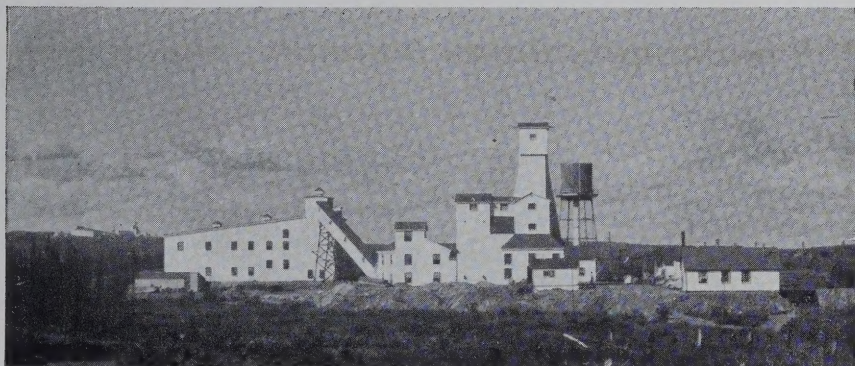
MAY 22 1953

NEW SENATOR-ROUYN LIMITED

(No Personal Liability)

P. O. BOX 780

NORANDA, QUEBEC



ANNUAL REPORT

1952

Report to the Shareholders

Last year I reported to you that a more intensive exploration program would be started at your mine in an effort to find new ore. During the year 1952 and the first three months of this year, a long drift has been driven on both the 1375 and 2475 foot Levels southeast of the present mine workings to permit close investigation of the area on each side of the Noranda diabase dyke.

Subsequent diamond drilling has shown that the main ore zone structure, at a point close to the diabase, changes strike and turns to a direction almost southeast. The shear zone continues east of the diabase and appears to be widening on that side of it. Ore values and widths have been found on both the above-mentioned levels. As a result of this information, the drifts on both levels will be advanced southeast, through the diabase, to follow and further investigate the ore values already found.

Closely tied in with this exploration is the program being conducted by Bagamac Mines Limited at the 2475 foot Level. A long drift has now been advanced into Bagamac property from the New Senator 2475 foot Level in a direction to follow close to and parallel to the same Noranda diabase dyke, but on Bagamac property.

The combined exploration programs will provide an investigation of a minimum of over 3000 feet and a maximum of over 5000 feet of length along this dyke. We have high hopes of the possibilities of its success.

The report of the General Manager gives the details of the mine operation during the year and shows the results of the efficiency necessary to operate under present-day conditions and with a low grade ore. On behalf of the Board of Directors I take this opportunity to express our thanks to him and his staff, and all employees, for their loyal service during the year.

R. C. GAMBLE

President.

OFFICERS

R. C. GAMBLE, Toronto, Ont., President
BRIG. A. V. TREMAINE, CBE, Ottawa, Ont., Vice-President
L. A. ROBERTON, Noranda, Que., Secretary-Treasurer
J. C. HOUSTON, Noranda, Que., General Manager

DIRECTORS

R. C. GAMBLE, Toronto, Ont.
A. T. LEWIS, C.B.E., Q.C., Ottawa, Ont.
T. F. AHEARN, Ottawa, Ont.
DR. M. D. KINSELLA, Toronto, Ont.
BRIG. A. V. TREMAINE, C.B.E., Ottawa, Ont.
CHAS. A. CANNON, M.P., Quebec, Que.
COL. WM. H. PRICE, Toronto, Ont.

NEW SENATOR

(No Personal Liability)

BALANCE SHEET AS AT

ASSETS

CURRENT ASSETS

Cash on hand and in bank	\$ 3,610.59		
Bullion in transit	43,554.63		
Accounts receivable	1,621.87		
Estimated amount recoverable under The Emergency Gold Mining Assistance Act	30,248.66		
Inventory of stores — at cost	94,485.17		
Prepaid expense items	14,375.90		
		\$187,896.82	

FIXED ASSETS

Mine claims and properties — at cost	88,649.90		
Buildings — at cost	180,832.61		
Machinery and equipment — at cost, less disposals at selling price	775,131.02		
	955,963.63		
Less: Accumulated depreciation	673,085.63	282,878.00	371,527.90

OTHER ASSETS AND DEFERRED CHARGES

Senator Mines Limited — 125,000 shares at nominal value	1.00		
Shaft sinking	403,596.73		
Less: Amount written off to operations	111,542.29	292,054.44	292,055.44
			851,480.16

APPROVED ON BEHALF OF THE BOARD

R. C. GAMBLE, Director
A. V. TREMAINE, Director

AUDITOR'S REPORT

We have audited the financial records of New Senator-Rouyn Limited (No Personal Liability) for the year ended December 31, 1952. In connection therewith we made a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We obtained all the information and explanations we have required.

OUYN LIMITED

Liability)

DECEMBER 31, 1952

LIABILITIES

CURRENT LIABILITIES

Salaries and wages payable	\$ 14,009.32	
Accounts payable and accrued charges	70,877.22	\$ 84,886.54

CAPITAL STOCK AND DEFICIT

Capital Stock:

Authorized: 4,000.00 shares at
\$1.00 each

Issued and fully paid:
2,000,000 shares at
\$1.00 each
2,000,000.00

Less: Discount on shares
issued 913,598.40 1,086,401.60

Deficit — as per attached statement 319,807.98 766,593.62

Note: Of the 2,000,000 shares authorized but unissued at
December 31, 1952, 1,000,000 shares are under
option in accordance with a Memorandum of
Agreement dated December 20, 1952.

851,480.16

This is the balance sheet referred
to in our report to shareholders
dated March 11, 1953.

THE SHAREHOLDERS

In our opinion the accompanying balance sheet and statements of income and expenditure and deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1952, and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

A. W. QUAYLE & CO.,
Chartered Accountants

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1952

INCOME

Bullion produced	\$489,303.08	
Miscellaneous	4,941.81	\$494,244.89

OPERATING EXPENDITURE \$662,337.57

OPERATING LOSS — before depreciation and
pre-production write-off 168,092.68

Allowance for depreciation on buildings
and equipment 22,871.19

Pro-production development and shaft
sinking write-off 23,680.09 46,551.28

OPERATING LOSS 214,643.96

Estimated amount recoverable under The Emergency
Gold Mining Assistance Act 80,934.92

NET LOSS FOR YEAR \$133,709.04

STATEMENT OF DEFICIT AS AT DECEMBER 31, 1952

BALANCE, JANUARY 1, 1952 \$190,900.81

Add: Net loss for year 133,709.04

Expense relative to change of name and to
change in amount of authorized
capital stock 1,241.79 134,950.83

325,851.64

Deduct: Sale of portion of mining property
exclusive of mineral rights 5,000.00

Refund of sales tax applicable to prior years 1,043.66 6,043.66

BALANCE, DECEMBER 31, 1952 \$319,807.98

GENERAL MANAGER'S REPORT

The following report covering operations at your mine for the year 1952 is submitted for your approval.

MINE

Actual stoping operations were confined mainly to the main ore zone below the 2325 Level. Completion of stope preparation on the 2625 and 2775 Levels, plus a small new area developed in the west end of the main zone on the 1375 Level permitted a slight increase in tonnage milled over the previous year.

Exploration was carried out in search for possible lateral extension of the ore zone, on the east end of the 875 and 1375 Levels and on both the east and west end of the 2475 Level. This resulted in the opening up of some 250 feet of marginal material just west of the diabase dyke in the south-east section of the 2475 Level.

Two diamond drill holes on the 2475 Level also indicate that the main zone continues east on the diabase dyke and these sections warrant further exploration during the coming year.

The following is a summary of the exploration, development and stope preparation done during the year.

EXPLORATION (Capitalized)	Amount	Cost	Cost/Ft.
Drifting	2,538	\$ 48,857.98	\$ 19.25
Diamond Drilling	9,268	11,130.30	1.20
DEVELOPMENT			
Drifting	79	1,512.50	19.14
Diamond Drilling	1,280	1,525.87	1.19
STOPE PREPARATION			
Drifting (ft.)	51.5	986.48	19.15
Raising (ft.)	647	9,871.97	15.26
Boxholes (ft.)	122	2,172.83	17.81
Draw Points (ft.)	301	7,564.38	25.13

STATEMENT OF REVENUE & COSTS

Tons of Ore Milled (Dry)	164,846.0	Per Ton Milled	
		1952	1951
Bullion Recovery	\$ 489,303.08	2.97	3.67
Sundry Revenue	4,898.59	0.03	0.09
Estimated Amount from the Emergency			
Gold Mines Assistance Act	80,934.92	0.49	0.58
	575,136.59	3.49	4.34
MINE OPERATING COSTS			
Development	3,038.37	0.02	0.25
Stope Preparation	20,595.66	0.12	0.39
Stoping	351,267.87	2.13	2.17
Milling	147,493.52	0.89	0.99
General Mine Expense	42,153.59	0.26	0.32
Management, Engineering & Office	42,309.07	0.26	0.29
Bullion Marketing Expense	4,790.44	0.03	0.03
Unemployment Insurance	3,518.63	0.02	0.03
School Taxes	2,933.59	0.02	0.02
Insurance	11,123.19	0.07	0.06
Workmen's Compensation	9,763.70	0.06	0.11
Municipal Taxes	1,352.00	0.01	0.01
Corporation Taxes	988.00	0.01	0.01
Head Office Administration and			
General Expense	20,389.19	0.12	0.14
Total Cost	661,716.82	4.02	4.84
Operating Loss	86,580.23	0.53	0.52

MILLING

The mill operated throughout the year and total tonnage of 164,846.0 was treated. Ball Mill operating time was 75.4% and an average extraction of 94.0% was obtained. Cost of treatment plus tailings losses were as follows:

	1952	1951	1950
Milling Cost per Ton	0.89	0.99	0.83
Tailings Losses per Ton	0.189	0.185	0.22
	1,079	1.175	1.05

ORE RESERVES

The estimated ore reserves on January 1st, 1953, are as follows:

Not Presently Available	Tons	Grade
Above 1875 Level	28,890	0.178
Below 1875 Level	19,298	0.156
Available		
"A" Zone	232,429	0.129
to 2775 Level		
"B" Zone		
to 2475 Level	22,085	0.152
Miscellaneous		
1301 A Slope	5,110	0.123
1375 Level West	1,585	0.125
2475 Level East	1,341	0.100
	310,738	0.137

No reserve is estimated below the 2775 Level.

PLANT AND EQUIPMENT

All plant and equipment was maintained in good order.

There were no expenditures for additions to plant and equipment during the year.

GENERAL

The continued economy measures resulted in a lowering of actual operating costs from \$4.20 to \$3.88 per ton milled (not including development and stope preparation).

Iron and steel products increased in price during the year as well as freight and hauling charges, but there was a small decrease in the cost of chemicals and rubber products.

The loss in revenue due to the Canadian Dollar being above par in comparison to the U.S. dollar was serious. The average price received from the Royal Canadian Mint was \$34.24 per fine ounce of gold, compared to \$35.05 in 1951 and \$36.85 in 1950.

Close to the end of the year a contract between Bagamac Mines Limited and New Senator-Rouyn Limited was negotiated and signed. Under its terms, an extensive exploration campaign will be conducted by New Senator for and on behalf of Bagamac, on a cost plus basis on Bagamac Property. Initially, this will involve a long exploration drift from the New Senator 2475-foot level which will be driven parallel to and on the west side of the "Noranda" diabase dyke, for a total length of about 2500 feet. From this drift lateral diamond drilling will be done to investigate the area on both sides of the diabase for approximately the above mentioned length.

It is hoped that this Bagamac exploration will give some data which will be useful in determining future exploration by New Senator.

I wish to thank all employees and staff members for their continued assistance and loyalty during the year. Without their full co-operation the cost figures above-mentioned could not have been attained. I also wish to thank the officers of the company and the Board of Directors for their guidance during the year.

Respectfully submitted,

(Sgd) J. C. HOUSTON,

General Manager.